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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of

CC Dkt. No. 95-116

Telephone Number Portability) RM 8535

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REPLY COMMENTS OF AT&T CORP.

Pursuant to the Commission's Public Notice, DA 96-358, released March 14, 1996, AT&T Corp. ("AT&T) hereby replies to the comments of other parties on the effect of passage of the Telecommunications Act of 1996 ("the Act") on the issues raised in the Commission's prior Notice of Proposed Rulemaking (the "NPRM") in this docket.

The comments confirm that the Act has resolved each of the preliminary policy questions identified in the NPRM. With virtual unanimity, commenters agree that the Act establishes that number portability will benefit customers and is in the public interest.² Commenters also agree that the Commission has not only the authority, but the responsibility

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In the Matter of Telephone Number Portability,
CC Dkt. 95-116, Notice of Proposed Rulemaking, released
July 13, 1995. As in its Comments ("AT&T's Comments") on
the NPRM, AT&T uses the term "number portability" to refer
to service provider portability. A list of parties
submitting comments on the Public Notice is attached hereto
as Appendix A.

See, e.g., Ameritech, p. 1; MCI, p. 1; NCTA, p. 3; Sprint,
p. 1; TCG, p. 2; TRA, p. 3; TWComm, p. 3.

to ensure that number portability is implemented,³ and that prompt implementation of number portability is essential to the development of local exchange competition. Commenters agree further that the Act mandates that service provider portability not be delayed pending the availability of other forms of portability.⁴

There is likewise overwhelming agreement that the Location Routing Number ("LRN") solution is the only means to achieve the Act's mandate to permit local exchange customers to retain their telephone numbers "without impairment of quality, reliability, or convenience" when choosing a new local exchange carrier. Commenters confirm that LRN is now the consensus industry choice, consistently outscoring alternatives in industry workshops, and winning the endorsement of those state commissions and workshops that have adopted or recommended a portability solution.

See, e.g., Bell Atlantic, p. 2; Cox, p. 3; MCI, p. 2; Sprint, p. 1.

See, e.g., Ameritech, p. 1; GTE, p. 2; NYNEX, P. 2; SBC, p. 2; TWComm p. 3.

 $[\]frac{5}{2}$ See Act, Section 3(a)(46).

See, e.g., Ameritech, p. 5; CCTA, p. 3; Cox, p. 8; NYDPS, p. 1; MCI, pp. 3-4; Sprint, 2.; TCG, pp. 7-8; TRA, p. 4.

⁷ See, e.g., ALTS, p. 4; Cox, p.8; TCG, p. 7; TRA, p. 4.

See, e.g., Ameritech, p. 5; BellSouth, p. 7; MCI, p. 6; MFS, p. 6.

See, e.g., CCTA, p. 3; NYDPS, p. 1; Sprint, p. 2. Even BellSouth, which argues that the Commission should further

also confirm that LRN is technically feasible, 10 and that LRN can easily be implemented in selected locations in mid-1997. 11 Finally, commenters agree that the record is more than sufficient to enable the Commission to implement number portability, and that the Commission should require widespread initial deployment of LRN in metropolitan statistical areas ("MSAs"), 12 consistent with AT&T's recommended schedule for deployment in at least 84 MSAs by the third guarter of 1998. 13

Predictably, a few LECs reiterate their objections to the expeditious deployment of a permanent number

study number portability, recognizes (p. 7) that "at least nine states have endorsed an LRN call model for a long term number portability solution, and no other viable model has emerged." The industry view is best expressed by Ameritech, which states (p. 9) that "LRN is the ideal number portability template for all jurisdictions."

See, e.g., ALTS, p. 4; Ameritech, pp. 5-8; Cox, p. 8; MFS, p. 3; TWComm, p. 7; Sprint, p. 3.

See, e.g., Ameritech, p. 8.; MCI, p. 6; TRA, p. 4.

¹² See, e.g., Cox, p. 9; Sprint, p. 5.

See, AT&T, p. 8. Contrary to NYNEX's suggestion (p. 5), LRN is fully capable of supporting operator services and "vertical" features (including Automatic Recall and Automatic Callback), and for this reason, among others, was selected as the permanent number portability solution in Illinois. See Ameritech, pp. 8-9. Ironically, these "vertical" features are not available to many customers under the "interim" arrangements that NYNEX supports (p. 2). PacBell's is also incorrect in asserting (p. 3) that LRN requires a "database query by the originating switch for every inter-switch call..." LRN will support an N-1 environment in which the next-to-last carrier, not the originating switch, performs the database "dip." Further, under LRN, calls to numbers that are part of non-portable NXXs will require no database "dip" at all.

portability solution.¹⁴ These parties suggest first that current "interim" portability arrangements are sufficient to promote local exchange competition. As AT&T and other commenters have shown, however, "interim" arrangements are technically deficient and place alternative exchange carriers at a significant competitive disadvantage.¹⁵ Moreover, in a number of states, incumbent exchange carriers have priced "interim" arrangements so as to create artificial barriers to market entry by alternative carriers. It is thus not surprising that some incumbents prefer these inferior and anti-competitive arrangements.¹⁶

Second, these commenters suggest that it would be "premature" to implement number portability¹⁷ and that the Commission must first amass broad categories of additional information on permanent portability architectures and solutions.¹⁸ These suggestions are without merit. LRN has been closely scrutinized in nine separate state commission-

See, e.g., Bell Atlantic, p. 2; NYNEX, pp. 2-6; GTE, pp. 4-8.

¹⁵ <u>See</u>, <u>e.g.</u>, MCI, pp. 5-6; MFS, p. 8; TWComm, p. 3.

These few carriers in fact demonstrate the practical reason that the Commission must act expeditiously to implement number portability. Without decisive action, many incumbent local exchange carriers will seek to extend indefinitely the "interim" arrangements that disadvantage potential competitors.

See, e.g., BellSouth, p. 7.

¹⁸ See, e.g., BellSouth, pp. 7-8; GTE, pp. 8-9.

sponsored workshops, with full participation by local exchange carriers, interexchange carriers, and cable operators, and has consistently been selected as the optimal permanent number portability solution. Based on the extensive record compiled in this proceeding and in the states, the Commission should reject the invitation of a few incumbent carriers to indefinitely delay implementation of number portability pending further, unnecessary study. The Act's requirement that the Commission promptly establish regulations to implement number portability, 19 and the indisputable fact that LRN is technically feasible, mandates this result.

Only PacBell suggests that there may be a current viable alternative to LRN.²⁰ Query on Release ("QOR") is PacBell's alternative solution "du jour," following its now-abandoned Release-to-Pivot ("RTP") proposal. In contrast to LRN, QOR has not been fully developed, ²¹ closely scrutinized, ²² or broadly endorsed. Enough is known about QOR, however, to conclude that it will not comply with the Act's requirements

¹⁹ Act, Section 251(d)(1).

See, PacBell, p. 4.

Apparently, PacBell did not formally request that vendors begin efforts to develop software to support QOR until three weeks ago. See Letter ("QOR Letter") to D. Smith, Vice President-Sales, Ericsson, et. al. from J.W. Seaholz, Chief Technology Officer, Bell Atlantic, et. al., dated March 18, 1996.

QOR has not been considered in even one state-sponsored workshop.

for number portability. QOR call processing procedures will impose significant post-dial delay on calls to customers who have "ported" their telephone numbers, thereby ensuring that customers will not have the ability to retain their telephone numbers "without impairment of quality, reliability, and convenience."²³ This post-dial delay is particularly troublesome in the context of 911 and E911 functions, where commenters have expressed concerns about the speed of call completion.²⁴ For these and other reasons, even those parties requesting QOR development recognize that it is at best an untested interim solution that will eventually be replaced by LRN.²⁵ QOR is not a realistic alternative to LRN, and the Commission should not treat it as such.

Finally, there is no reason to delay implementation of LRN based on claims concerning costs. 26 These claims by

Act, Section 3(a) (46). Northern Telecom has acknowledged the inconvenience that QOR will cause on calls to ported numbers. See Ex Parte Presentation of Northern Telecom, CC Dkt. No. 95-116, filed March 14, 1996 (QOR and RTP "tend to cause some call-handling inequities - only ported calls undergo SCP queries"). In contrast, LRN will process calls to ported and non-ported numbers in "portable" NXXs in the same manner, ensuring uniform quality, reliability, and convenience.

²⁴ <u>See</u> NENA, p. 3.

See QOR Letter, p. 3 ("...this work will be to provide an analysis on the technical and economic feasibility of implementing QOR and transitioning at some time to an N-1 (LRN) solution").

See, e.g., GTE, p. 5; NYNEX, p. 3; PacBell, p. 7.

incumbent exchange carriers have varied wildly, and in certain instances have increased dramatically without discernible reason. As AT&T has demonstrated, the investment required for implementation of number portability can be spread over millions of subscriber lines and over a number of years, and represents only a small fraction of total investment in network infrastructure. Claims that the costs of number portability outweigh its benefits are incorrect as a matter of policy, and are foreclosed by the express provisions of the Act. 29

Conclusion

The Commission can and should extend the benefits of number portability to local exchange customers by selecting LRN as the uniform nationwide solution, and proceeding with its implementation under a timetable at least as expeditious as that outlined in AT&T's comments. Until such time as

PacBell, for instance, now estimates (p. 7) that deployment of LRN in its network will cost \$1 billion over a three year period. In another recent submission to the Commission, however, PacBell estimated that deployment of LRN would result in an initial cost \$148 million, with recurring annual costs of \$27 million. See Ex Parte Presentation of Pacific Telesis, CC Dkt. 95-116, filed January 16, 1996. Ironically, in repeatedly proposing additional portability solutions (such as QOR or RTP), PacBell consistently ignores the considerable costs, complexities, and delays associated with implementing, testing, and operating multiple number portability solutions nationwide.

See AT&T Comments, CC Dkt. 95-116, NPRM, p. 33.

²⁹ Act, Section 251(b)(2).

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permanent portability can be fully implemented, the Commission should require that costs for "interim" arrangements be recovered on a competitively-neutral basis, to comply with the Act and mitigate the competitive disadvantages of these arrangements. The Commission should require such competitively-neutral cost recovery for "interim" arrangements beginning no later than the date of its order implementing number portability under the Act. 31

Respectfully submitted,

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April 5, 1996

New York has adopted one such competitively-neutral cost recovery mechanism, where the total costs of number portability are calculated and then distributed among all carriers based on the number of working telephone numbers.

See Order of New York Public Service Commission, Case No. 94-C-0095, dated December 12, 1995.

³¹ Act, Section 251 (b)(2).

USTA

Parties Filing Comments

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United States Telephone Association

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CERTIFICATE OF SERVICE

I, Karen Gillis, do hereby certify that on this

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